

RESOLUTION NO. 20090820-068

WHEREAS, Chapter 372 of the Texas Local Government Code (the "Act") authorizes the creation of public improvement districts; and

WHEREAS, owners of real property located within the East Sixth Street Public Improvement District (PID) boundaries delivered to the City of Austin petitions ("Petition") to continue, for a second five-year term, the East Sixth Street PID (the "District"), as shown on the map attached hereto and made a part hereof and marked Exhibit "A" (the "Map of the District"); and

WHEREAS, the City Clerk of the City of Austin has reviewed the Petition and determined that under the proposal as set out in the Petition (i) the owners of more than 50% of the appraised value of the taxable real property liable for assessment and (ii) the owners of more than 50% of the area of all taxable real property liable for assessment within the District have executed the Petition and that the Petition complies with the Act and authorizes the City Council to consider the reauthorization of the District; and

WHEREAS, after providing the notices required by Section 372.009 of the Act, the City Council on August 20, 2009, has conducted a public hearing on the advisability of the improvements and services; and

WHEREAS, the City Council adjourned such public hearing; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

Section 1. Pursuant to the requirements of the Act, the City Council, after considering the Petition for the proposed District and the evidence and testimony presented at the public hearing on August 20, 2009, hereby finds and declares:

- (a) Advisability of the Services and Improvements Proposed for the District. It is advisable to continue the District to provide the services and improvements described in this resolution; and the services and improvements will contribute to the public health, safety, and welfare.
- (b) Nature of the Services and Improvements. The general nature of the services and improvements to be performed by the District is to improve security, supplement the maintenance of streets, sidewalks, and landscaping, provide marketing information to promote the District, provide streetscape enhancements, and provide other services and improvements that are authorized by the Act. The District was created with intention of supplementing and enhancing services within the District, and will continue to do so, but is not intended to replace or supplant existing City services provided within the District, as described in the service plan (the "Service Plan") attached hereto as Exhibit "B" and made a part hereof. The Service Plan is hereby approved and accepted by the City Council.
- (c) Estimated Cost of the Services and Improvements. The estimated annual cost of the services and improvements to be provided by the District is approximately \$145,000.00. The District shall not incur bonded indebtedness.
- (d) Boundaries. The District is located wholly within the City of Austin,

Texas. The District is located within the Austin Central Business District, which is devoted primarily to commercial activity. The boundaries of the District are shown on the Map of the District, Exhibit "A".

- (e) Method of Assessment. The method of assessment is based on the value of the real property and real property improvements as determined by the Travis Central Appraisal District.

Except with the prior consent of the owners thereof, the following classes of property shall be excluded from assessment: (a) property of the City (provided, however, that during each year in which the District remains in effect and the Council appropriates sufficient funds, the City shall pay a certain amount in lieu of an assessment); (b) property of the County, and property owned by political subdivisions of the State of Texas and used for public purposes; (c) property owned by a church or by a strictly religious society, and which yields no revenue to such church or religious society, and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society; (d) property owned by persons or associations of persons which is used exclusively for school purposes; (e) property owned by an association engaged in promoting the religious, educational, and physical development of boys, girls, young men, or young women operating under a state or national organization of like character and used exclusively and necessarily for such purpose, including, but not limited to, property owned by the Austin Independent School District; (f) property owned by institutions of purely public charity; (g) property

that was used primarily for recreational, park, or scenic purposes during the immediately preceding calendar year; (h) property owned by public or private utilities that is located in public streets or rights-of-way; (i) property used for residential purposes and fitting the definition of a homestead provided in Section 41.001, Vernon's Texas Code Annotated, Texas Property Code; (j) property owned by The University of Texas and the State of Texas; (k) all hospitals; and (l) the valuation over \$500,000 of all properties liable for assessment.

All property owners assessed in the District automatically become members of the District and others may join by the voluntary payment of dues. The Service Plan reflects the District's intention to provide services in a manner that will primarily benefit District members.

After reviewing the testimony and evidence, it is found that the exemptions for excluded classes are reasonable because the excluded property will not receive a benefit from the District sufficient to justify assessments. It is further found that the exemptions are reasonable and necessary to promote the efficient management of the District.

(f) Apportionment of Cost Between District and Municipality as a Whole.

The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City will make an annual payment to the District in lieu of an annual assessment of City-owned property, subject to annual appropriation of funds from the Council. The City will agree to pay the District a sum in each year not to exceed \$43,500. The City Manager is hereby instructed to provide for an annual payment in

future budgets for the term of the District.

- (g) Assessment Roll and Setting of Rate. The City Manager is hereby directed to annually prepare an assessment roll and file said roll with City Clerk. The assessment rate shall not exceed \$0.25 per \$100.00 valuation of taxable real property as shown on the tax rolls of the Travis Central Appraisal District.
- (h) The recitals set forth in the preamble of the Resolution are found to be true and correct.

Section 2. The District is hereby reauthorized and continued as a Public Improvement District under the Act in accordance with the findings set forth in this Resolution as to the advisability of the services and improvements. The District shall be subject to the terms, conditions, limitations, and reservations contained in the findings of Section 1 of this Resolution.

Section 3. The City Clerk is directed to give notice of the reauthorization of the District by publishing a copy of this Resolution once in a newspaper of general circulation in the City of Austin. Such reauthorization shall take effect and the District shall be deemed to be reestablished effective upon the publication of such notice. The District shall automatically dissolve five years from the date of approval of this Resolution unless the District is renewed through the petition and approval process provided for in the Act, or the District is sooner terminated as provided by law. The power of the City to continue to levy and collect assessments within the District pursuant to the Act will cease and the District will be dissolved on the date that a petition requesting dissolution is filed with the City Clerk of the City of Austin and the petition contains the signatures of at least enough property owners in

the District to make the petition sufficient for creation of a public improvement district as provided in Section 372.005(b) of the Act.

Section 4. The City Council designates Sixth Street Austin, a Texas nonprofit corporation, as the advisory body as contemplated by Section 372.008 of the Act.

ADOPTED: August 20, 2009

ATTEST:

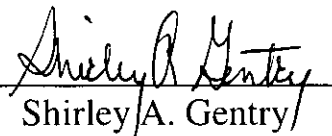
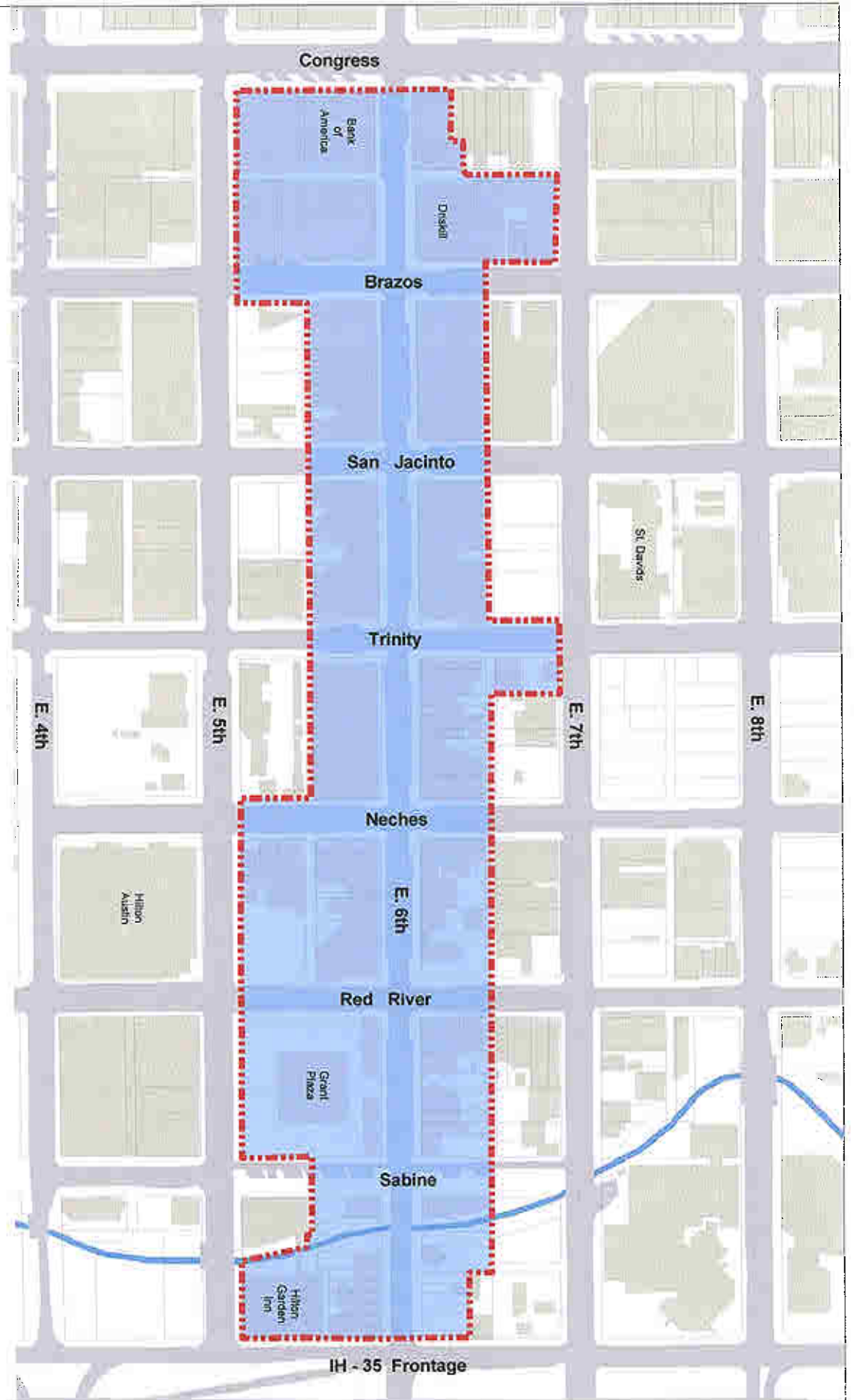

Shirley A. Gentry/
City Clerk

Exhibit A



E. 6th Street Public Improvement District (PID)

**Five-Year Service Plan
for the
East Sixth Street Public Improvement District (PID)
October 1, 2009 – September 30, 2014**

INTRODUCTION

In 2004, property owners on East Sixth Street petitioned the City Council to establish the East Sixth Street Public Improvement District (PID). Owners incorporated as the non-profit 501(c)(6) organization and contracted with the City of Austin to manage the PID. In January 2008, the association began doing business as the Sixth Street Austin Association (Sixth).

In 2009, about 60 percent of property owners representing 90 percent of the property valuation have signed petitions to reauthorize the PID.

During the five-year plan (October 2009 – September 2014), Sixth will continue with its work guided by the mission to make the East Sixth Street National Register Historic District a source of pride to the Austin community by:

- Advocating for the preservation and enhancement of the district's unique historic character;
- Creating a vibrant mixed use district so that locals and visitors alike will utilize its diverse offerings; and
- Making Sixth Street an important economic and cultural asset to the community for today and future generations.

The mission is executed in four major program areas:

- Infrastructure and Physical Environment (Clean, Historic, Systems);
- Public Safety;
- Membership/Communications; and
- Marketing/Fundraising/Economic Development.

Please see Table A for revenue and Table B for expense projections.

REVENUE PROJECTIONS

The revenue projection is based upon \$0.15 per \$100 valuation, raising approximately \$63,000. The additional \$0.10 per \$100 valuation allowed by the reauthorization petition is reserved to fund specific projects if approved by a majority vote at Sixth's membership meeting. Petitioners agreed to increase the assessment from \$0.10 per \$100 valuation to \$0.15. Revenue growth

projections assume a 3 percent increase in taxable value every year, but the PID's \$500,000 valuation cap effectively limits the growth of assessed value to 1.2 percent. The City of Austin and Downtown Austin Alliance contributions are assumed to remain the same at \$43,500 and \$20,000 respectively. Sixth will continue to fundraise and depend on partnerships – like the ones with the Driskill Hotel, Hilton Hotel and Austin Convention and Visitor's Bureau – for in-kind support. This brings the total budget to approximately \$150,000 each year.

EXPENSE PROJECTIONS (Programs)

Allocation of expense programs are projected to remain the same for the five-year plan, although some fluctuation will occur year to year. The program areas are aligned with the recommendations of the Responsible Hospitality Institute's Report and Action Plan, developed during the community's participation in the 2008-2009 Hospitality Zone Assessment.

Infrastructure and Physical Environment (Focus on Historic, Clean and Systems) – 30%

Continue to coordinate strategies, plans and partnerships for physical improvements in the district such as signage, sidewalks, gateways, etc. Sixth will continue to lead the broad-based community committees on Infrastructure and Systems of Order in the E. Sixth Street District established through the Responsible Hospitality Institute consulting process. The focus will include efforts to:

- Clean the built environment (public and private space)
 - Clean and repair building facades, windows, etc.
 - Emphasize the historic appearance and value of buildings
 - Advocate for regularly cleaned sidewalks
 - Encourage higher standards of private signage and ATM placement
 - Promote incentives, such as a façade loan program, to encourage participation and to raise standards
- Improve systems of order to unify the district
 - Public area lighting (tree lighting)
 - Signage and Banners
 - Gateways
 - Transportation systems (taxis, valets)
 - Vendors
 - Public Restrooms
- Continue to advocate for longer-term improvements
 - Develop a specific consensus plan and identify funding for Sixth Street streetscape that respects the historic nature of the district, including vehicle lanes and flow; sidewalk width and material; and street parking
 - Fully engage in the district planning phase of the Downtown Austin Plan
 - Integrate the Sixth Street District Vision into the Waller Creek District Master Plan
 - Maintain coordination with the City on physical infrastructure upgrades, such as utility lines and alleys

Public Safety – 20%

Continue to work directly with the City to identify and express the issues and barriers facing E. Sixth Street. Sixth will also work directly with the DAA, the APD and others to address the issues of public safety, order and evening management of the street. Sixth will continue to lead the broad-based community committee on Public Safety in the E. Sixth Street District established through the Responsible Hospitality Institute consulting process. The focus will include efforts to:

- Expand safety partnerships in the public and private sectors
- Continue addressing homeless services and related safety issues
- Reduce panhandling and other quality of life issues affecting the district
- Reduce the negative impacts of barricading and street closures
- Advocate for a neighborhood watch program that can work in concert with community policing patrols and circulation
- Raise the bar on standards to reduce risks and encourage responsible operations within the entertainment district

Communications/Membership – 20%

Continuously improve communications methods for effective interaction with members and stakeholders, including the following methods:

- Monthly e-mails
- Quarterly newsletters
- Quarterly forums (informational and educational meetings)
- Regular committee meetings
- Special-topic meetings
- Annual membership meeting
- Ongoing personal phone calls and outreach to owners & operators
- Website updates
- A robust database
- Membership program expansion for non-property owners with an interest in the district

Marketing/Fundraising/Economic Development – 20%

Promote the economic health of the district and the association through strategic partnerships, marketing and public relations, and events and other fundraising opportunities.

- Continue to collaborate with the DAA, City and individual property owners to implement a retail strategy for E. 6th Street
- Promote the district as a whole with the “Sixth” brand, and events that bring a diverse market to and leverage the historic nature of the district
- Share information and tools with property and business owners to help diversify the district mix
 - Encourage business-to-business mentorships
 - Host forums for business success, education and self-enforcing standards
 - Promote existing resources and incentives for business success
 - Serve as an ombudsman for businesses and property owners within the district
- Pursue financial sustainability to increase resources and effectiveness

- Produce new events and help add value to current events within the district
- Develop and maintain current partnerships with other organization and businesses for promotional and funding opportunities
- Improve the district's common area management, such as sidewalk vendors, parking and valet parking options

Administration – 10%

Program expenses include overhead charges allocated in proportion to staff time.

SUMMARY

The East Sixth Street Public Improvement District is a professionally managed area of downtown Austin that continues to face a myriad of challenges that are common in many similar entertainment districts. The area is well branded, even internationally. With the focused efforts proposed in this service plan E. Sixth Street will continue progress toward realizing the vision of a vibrant, mixed-use historic district offering live music and entertainment that is a source of cultural and economic pride for Austinites.

6ixth

STREET • AUSTIN

EAST SIXTH STREET PUBLIC IMPROVEMENT DISTRICT FIVE-YEAR SERVICE PLAN OCTOBER 1, 2009 - SEPTEMBER 30, 2014

Table A

FIVE YEAR REVENUE PROJECTIONS

	YR 1 10/2009-9/2010	YR 2 10/2010-9/2011	YR 3 10/2011-9/2012	YR 4 10/2012-9/2013	YR 5 10/2013-9/2014
Total Valuation	214,590,733	221,028,455	227,659,309	234,489,088	241,523,761
Assessment Base	46,927,103	47,490,228	48,060,111	48,636,832	49,220,474
Assessment Rate	.15/100	.15/100	.15/100	.15/100	.15/100
Total Assessments	70,391	71,235	72,090	72,955	73,831
Collection Rate	90%	90%	90%	90%	90%
Assessment Revenue	63,339	64,112	64,881	65,660	66,448
<i>*Note: Assessment rate of \$0.15 for ongoing operations and programs, with \$0.10 authorization left for future specific projects</i>					
CONTRIBUTION REVENUES					
	YR 1 10/2009-9/2010	YR 2 10/2010-9/2011	YR 3 10/2011-9/2012	YR 4 10/2012-9/2013	YR 5 10/2013-9/2014
City of Austin	43,500	43,500	43,500	43,500	43,500
PID: Prior Year Rev & Reserve, Interest, Late Pmt	12,000	2,000	2,000	2,000	2,000
Total	55,500	45,500	45,500	45,500	45,500
OTHER REVENUES					
	YR 1 10/2009-9/2010	YR 2 10/2010-9/2011	YR 3 10/2011-9/2012	YR 4 10/2012-9/2013	YR 5 10/2013-9/2014
Donations	20,000	20,000	20,000	20,000	20,000
Sponsorships/Events	10,000	15,000	20,000	20,000	20,000
Total	30,000	35,000	40,000	40,000	40,000
TOTAL ANNUAL REVENUES					
	YR 1 10/2009-9/2010	YR 2 10/2010-9/2011	YR 3 10/2011-9/2012	YR 4 10/2012-9/2013	YR 5 10/2013-9/2014
Assessment Revenues	63,339	64,112	64,881	65,660	66,448
Contribution Revenues	55,500	45,500	45,500	45,500	45,500
Less: Reserve for Revenue Collection	(4,000)	(4,000)	(4,000)	(4,000)	(4,000.00)
Other Revenues	30,000	35,000	40,000	40,000	40,000
Total	144,839	140,612	146,381	147,160	147,948

Table B

FIVE YEAR EXPENDITURE PROJECTIONS

	YR 1 10/2009-9/2010	YR 2 10/2010-9/2011	YR 3 10/2011-9/2012	YR 4 10/2012-9/2013	YR 5 10/2013-9/2014
INFRASTRUCTURE / PHYSICAL ENVIRONMENT (Clean, Historic, Systems)	43,452	42,184	43,914	44,148	44,384
PUBLIC SAFETY	28,968	28,122	29,276	29,432	29,590
COMMUNICATION/MEMBERSHIP	28,968	28,122	29,276	29,432	29,590
MARKETING / FUNDRAISING / ECON DEVELOP	28,968	28,122	29,276	29,432	29,590
ADMINISTRATION	14,484	14,061	14,638	14,716	14,795
Total	144,839	140,612	146,381	147,160	147,948